



General Assembly

Substitute Bill No. 6139

January Session, 2005

* _____ HB06139JUD__042705_____ *

AN ACT CONCERNING SURETY BAIL BOND AGENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-774 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 (a) The commissioner, after reasonable notice to and hearing of any
4 holder of a license issued by the commissioner, may suspend or revoke
5 the license for cause shown. In addition to or in lieu of suspension or
6 revocation, the commissioner may impose a fine not to exceed one
7 thousand dollars. Hearings may be held by the commissioner or by
8 any person designated by the commissioner. Whenever a person other
9 than the commissioner acts as the hearing officer, [he] the person shall
10 submit to the commissioner a memorandum of [his] findings and
11 recommendations upon which the commissioner may base [his] a
12 decision.

13 (b) If an insurance license held by a firm, association or corporation
14 is revoked, the insurance licenses of any principal of such firm or
15 association or any officer or director of such corporation shall be
16 revoked, unless the commissioner determines that such principal,
17 officer or director was not personally at fault in the matter on account
18 of which such license held by the firm, association or corporation was
19 revoked.

20 (c) The commissioner may place on probation, suspend, revoke or
21 refuse to reissue a surety bail bond agent's license or may levy a civil
22 penalty in accordance with this title, or may take any combination of
23 such actions, for any one or more of the following causes: (1) Soliciting,
24 negotiating or executing undertakings of bail or bail bonds on behalf of
25 an insurer without an appointment authorizing the surety bail bond
26 agent to act on the insurer's behalf; or (2) soliciting, negotiating or
27 executing undertakings of bail or bail bonds at a premium lower than
28 the effective rates filed by the insurer with the commissioner.

29 [(c)] (d) Any person aggrieved by the action of the commissioner in
30 placing on probation, [revoking,] suspending, revoking or refusing to
31 grant or reissue a license or in imposing a fine may appeal therefrom
32 in accordance with the provisions of section 4-183, except venue for
33 such appeal shall be in the judicial district of New Britain. Appeals
34 under this section shall be privileged in respect to the order of trial
35 assignment.

36 Sec. 2. (NEW) (*Effective October 1, 2005*) A surety bail bond agent
37 shall remit to the insurer the full amount of the premium collected
38 from a defendant for a bail bond solicited, negotiated or executed on
39 behalf of such insurer not later than ten days after collecting such
40 premium. The agent shall have no right to compensation other than
41 commissions, which shall be paid directly to the agent by the insurer,
42 for or on account of the solicitation, negotiation or execution of an
43 undertaking of bail or bail bonds.

44 Sec. 3. (NEW) (*Effective October 1, 2005*) Each insurer, as defined in
45 section 38a-660 of the general statutes, shall, not later than the tenth
46 day of each month, notify the commissioner of any failure of a surety
47 bail bond agent appointed by the insurer to remit to the insurer the full
48 amount of the premium as provided in section 2 of this act. The notice
49 shall include the name of the surety bail bond agent, the case docket
50 number, the total amount of the surety bond, the date the surety bond
51 was posted, the five digit identification code assigned to such insurer
52 by the National Association of Insurance Commissioners and the date

53 the premium was due. Any such insurer that fails to comply with the
54 requirements of this section shall be subject to license suspension or
55 revocation or fine as provided in subsection (c) of section 38a-41 of the
56 general statutes.

57 Sec. 4. Section 38a-825 of the general statutes is repealed and the
58 following is substituted in lieu thereof (*Effective October 1, 2005*):

59 (a) No insurance company doing business in this state, or attorney,
60 producer or any other person shall pay or allow, or offer to pay or
61 allow, as inducement to insurance, any rebate of premium payable on
62 the policy, or any special favor or advantage in the dividends or other
63 benefits to accrue thereon, or any valuable consideration or
64 inducement not specified in the policy of insurance. No person shall
65 receive or accept from any company, or attorney, producer or any
66 other person, as inducement to insurance, any such rebate of premium
67 payable on the policy, or any special favor or advantage in the
68 dividends or other benefit to accrue thereon, or any valuable
69 consideration or inducement not specified in the policy of insurance.
70 No person shall be excused from testifying or from producing any
71 books, papers, contracts, agreements or documents, at the trial of any
72 other person charged with the violation of any provision of this section
73 or of section 38a-446, on the ground that such testimony or evidence
74 may tend to incriminate [him] the person, but no person shall be
75 prosecuted for any act concerning which [he] the person is compelled
76 to so testify or produce documentary or other evidence, except for
77 perjury committed in so testifying.

78 (b) A payment plan established by a surety bail bond agent for the
79 payment of premium for a bail bond does not violate subsection (a) of
80 this section if (1) the payment plan provides that the premium shall be
81 fully paid not later than sixty days after the bail bond is executed, and
82 (2) the premium is fully paid within said sixty-day period.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2005</i>	38a-774
Sec. 2	<i>October 1, 2005</i>	New section
Sec. 3	<i>October 1, 2005</i>	New section
Sec. 4	<i>October 1, 2005</i>	38a-825

INS *Joint Favorable Subst.*

JUD *Joint Favorable*